

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Rulemaking on the Commission's Own Motion to Govern Open Access to Bottleneck Services and Establish A Framework for Network Architecture Development of Dominant Carrier Networks.

Rulemaking 93-04-003
(Filed April 7, 1993)

Investigation on the Commission's Own Motion into Open Access and Network Architecture Development of Dominant Carrier Networks.

Investigation 93-04-002
(Filed April 7, 1993)

(Verizon UNE Phase)

**ADMINISTRATIVE LAW JUDGE'S RULING
CONTAINING FIFTH SCHEDULE REVISION**

This ruling contains a fifth revision to the schedule for the permanent phase of the "Verizon Unbundled Network Element (UNE) Phase" of Rulemaking 93-04-003/Investigation 93-04-002 (OANAD proceeding), in which the Commission will set recurring and nonrecurring prices for Verizon California's (Verizon's) UNEs, and price floors for Verizon's Category II services.

The previous schedule for this case was set in a ruling of October 9, 2003. Since that date, Verizon and other parties filed cost studies and opening comments on November 3, 2003. Technical workshops were held on January 13-15, 2004. On February 3, 2004, the assigned Administrative Law Judge (ALJ) directed Verizon to make a supplemental filing on price floor issues. (See Law & Motion Transcript, 2/3/04, at p. 16524.) On February 10, 2004, Verizon, on behalf of all parties, contacted the ALJ via electronic mail and requested a postponement of the schedule so that parties could discuss

scheduling options. A postponement was granted, and on February 17, 2004, Verizon made its supplemental filing on price floors. On March 10, 2004, Verizon, AT&T Communications, ORA and TURN submitted proposals to the ALJ via electronic mail for a revised schedule for this case.

Verizon proposed filing a new version of its cost studies, namely version 7 of its VzLoop cost study, on April 2, 2004. Although Verizon contended its revised filing would reflect limited changes to the prior cost studies, it admitted that the revisions would affect the corresponding calculation of all UNE costs and related price floors. Verizon proposes extending the reply comment date by six weeks to allow parties to review and comment on these cost model revisions. AT&T, ORA, TURN, XO, TMC Communications, Call America, and Sage Telecom request an additional sixteen weeks to review and comment on Verizon's April 2 cost study revisions. These parties argue that a longer comment period is needed because they will have to start over from scratch in reviewing Verizon's new cost studies. Furthermore, a version of the Verizon cost studies that allows the parties' consultants to share work among themselves will not be available until April 12, 2004.

In a teleconference with the parties, I granted Verizon's request to file revisions to its cost studies on April 2, 2004 because all parties essentially agreed that version 7 of VzLoop is an improvement over the prior version. Given these revisions, I have amended the schedule to give parties ten weeks for reply comments from April 12, 2004, which is the date that a shareable version of Verizon's revised cost studies was made available. Verizon has identified many of the changes in its April 2 revisions, so the full sixteen weeks requested by AT&T and other parties is not needed. Nevertheless, I will allow an extra ten weeks for comments, recognizing that parties will have to redo much of the work

they may have already performed on the earlier versions of Verizon's cost studies and models.

A second scheduling modification involves the comment dates regarding price floors. Verizon agrees to the concept of phased comments on price floors, although it suggests only a few extra weeks for price floor comments during the same time frame that comments are due on the cost studies. AT&T, ORA, TURN and other parties request the Commission postpone price floor comments until six weeks after all comments are submitted on cost studies. Given the complexity of the issues involved, I agree with AT&T and the other parties to phase price floor comments six weeks after all comments on cost studies. This will allow Commission staff and the parties to focus all resources on cost modeling issues before turning to price floors. The schedule below reflects this change.

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|---------------------|--|
| November 3, 2003 | Filing of cost studies/models, explained and supported through Opening Comments, witness declarations, workpapers, supporting materials, and electronic versions of cost models. |
| January 13-15, 2004 | Technical Workshop on cost studies/models. |
| April 2, 2004 | Amended cost study and opening comments filed by Verizon. |
| June 21, 2004 | Reply Comments on cost studies/models. |

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|-------------------|---|
| August 23, 2004 | Rebuttal Comments on cost studies/models. |
| September 7, 2004 | Deadline for motions requesting hearings on cost studies/models and UNE pricing issues contained in filings to date. ¹ |
| October 1, 2004 | Ruling on need for hearings on cost studies/modeling and UNE pricing issues. |
| October 4, 2004 | Reply comments on Price Floor Issues. |
| November 15, 2004 | Rebuttal comments on Price Floor Issues. |
| December 1, 2004 | Deadline for motions requesting hearings on Price Floor issues. ² |
| December 20, 2004 | Ruling on need for hearings on Price Floor issues and submission of case if hearings not required. |
| March 20, 2005 | Proposed Decision Issued (if hearings not required). |

If Hearings Required:

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|-----------------------|---------------------------------|
| Date to be determined | Evidentiary Hearings |
| Date to be determined | Concurrent opening briefs |
| Date to be determined | Reply briefs and case submitted |
| Date to be determined | Proposed Decision issued |

¹ Any motions must justify the need for an evidentiary hearing by identifying the material disputed factual issues on which hearing should be held. In addition, any motion should identify the general nature of the evidence the party proposes to introduce at the requested hearing. Any right a party may otherwise have to an evidentiary hearing for the presentation of facts will be waived if the party does not follow the above procedure for a timely request.

² Motions should comply with the conditions described in footnote 1 above.

A copy of all filings should be sent electronically to the service list and to ALJ Dorothy Duda at dot@cpuc.ca.gov.

IT IS RULED that the schedule for the permanent phase of this proceeding is revised as set forth in this ruling.

Dated May 20, 2004, at San Francisco, California.

/s/ DOROTHY J. DUDA

Dorothy J. Duda
Administrative Law Judge

CERTIFICATE OF SERVICE

I certify that I have via electronic mail this day served a true copy of the original attached Administrative Law Judge's Ruling Containing Fifth Schedule Revision on all parties of record in this proceeding or their attorneys of record.

Dated May 20, 2004, at San Francisco, California.

/s/ ELIZABETH LEWIS

Elizabeth Lewis

N O T I C E

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to insure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

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